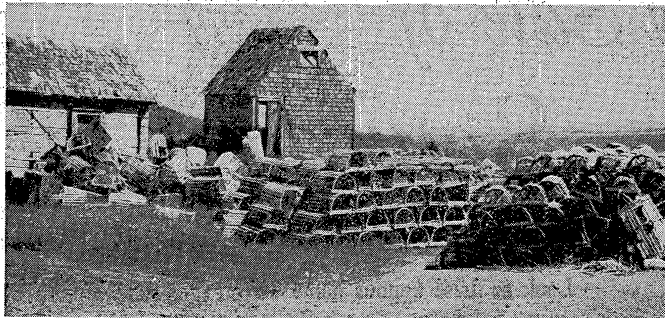


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Lobster pots on St. Georges Bay near Antigonish, Nova Scotia, reflect the importance of the sea to the provinces

Photographs for The New York Times by JOSEPH J. VECCHIOME

By JAY WALZ

Special to The New York Times

HALIFAX, Nova Scotia—Strains on the Canadian confederation, especially the separatist threats and disorders in Quebec, are driving the three Maritime Provinces to think seriously about political union.

Should separatists ever win out in the large French-speaking province to the west, the 1.5 million residents of Nova Scotia, New Brunswick and Prince Edward Island would be physically cut off, and at least 500 miles away from that part of Canada on which they depend for their standard of living.

The rise of the separatist Party Québécois, and the recent political kidnappings by radicals in the independence movement, seemed more ominous here than elsewhere in Canada.

But even if Quebec remains their restive neighbor in Canada, the proud but poor Maritime Provinces as they exist seem destined, at best, for the economic outlands.

Called Self-Preservation

To cite only the latest complaint, New Brunswick potato growers are up in arms because the Canadian National and Canadian Pacific railroads raised the freight rates and auxiliary charges, which the farmers say will add 70 per cent to transportation costs for their already depressed industry.

For these reasons, a new proposal has been put forward for the merger of Nova Scotia, New Brunswick and Prince Edward Island. The suggestion is being accepted by many influential persons here as a matter of self-preservation.

The proposal, contained in a report of the Maritime Union Study, said:

"At the present time the uncertainties which confront this region—the Maritimes—arises from two dangers: the possible disintegration of the nation and the continued substantial economic disparities in relation to the remainder of the country."

Dr. John J. Deutsch, former head of the Economic Council of Canada and special consultant to the two-year study ordered by the three provincial governments, said that the provinces must unite in the next 10 years, or be content forever with their poverty, frustrations and near-colonial status.

A survey carried out as part of the study showed wide popular support for merger. However, reaction has been cautious among officials who risk losing their jobs in the integration process. Regardless of complications and obstacles, Richard Hatfield, the 38-year-old newly elected Premier of New Brunswick, believes a new approach to old problems must be tried.

'Give This Thing a Try'

"We're in a new world," Mr. Hatfield said in an interview. "And the expectations of the people are very, very high. We've got to get down and give this thing a try."

The first "try" will be made by Mr. Hatfield and his two associates—Premier Gerald Regan of Nova Scotia and Premier Alexander Campbell of Prince Edward Island—at a meeting in Halifax on Jan. 26.

The Maritime Provinces embrace an area of 52,000 square miles, roughly the size of Maine, New Hampshire and Vermont, but their combined population is 1.5-million, about equal that of Maine and New Hampshire alone.

Newfoundland, the remote but no-less-impoverished fourth Atlantic province, is not included in the union plans now because Premier Joseph R. Smallwood's claim to Labrador, which Quebec disputes, raises complications deemed too difficult for political rearrangement immediately.

Quebec has never accepted a decision of the British Privy Council in 1927, when Canada was a dominion, awarding what is now Labrador to Newfoundland. There has been increasing pressure in Quebec for new boundaries that would reduce Newfoundland to an island status.

Despite the valiant efforts involving massive Federal aid to bring in industry, the economy rests largely on agriculture, forestry and fishing. Wood, wind and water, as an old saying has it, remain the strategic resources.

Fifty per cent of public revenues in the region come from the Federal Government in Ottawa—grants for education, welfare payments, public works and funds.

running 12 miles out from the Cape Breton shore. We hope to strike oil out there soon."

The report of the Maritime Study noted that the Maritimes had failed to prosper with the rest of Canada. Unemployment today is nearly 50 per cent above the national level of 6.6 per cent of the work force.

In the words of the report, its peoples have had "to migrate for successive generations as have no other native Canadians."

Maritimers say jokingly that "our most valuable export is brains." Since World War II more than 200,000 young people have moved to more promising places—Montreal, Toronto—

and the sparse population has not kept pace with growth in the rest of Canada.

While many of these émigrés have found gainful careers, the plight of other hundreds is

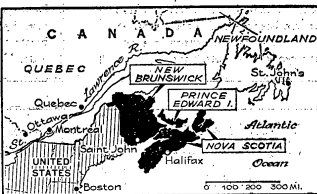
ber of public employees and the taxes to support them have continued to grow faster here than anywhere else in the country.

Proponents of union, including prominent educators and influential businessmen, are counting on the three premiers—two of them new and all relatively young—to take strong initiatives toward change.

The privately run Atlantic Provinces Economic Council supports the unity movement on the ground that the provinces cannot enjoy real growth while they compete with each other for industries and "Federal handouts."

Economically we are one region," said Harry Flemming, the council's executive vice president. "We also have a common maritime orientation and a common history. And we can't rely on being the chief problem child of Canada. There are oth-

er problems.



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depicted in a recent Canadian motion picture. "Going Down the Road," which has won high praise in the United States.

It dramatizes the experience of two untrained young men from the Maritimes who, when trying to find jobs, confront the hard lines of big, complex Toronto.

Prince Edward Island has 108,000 people; New Brunswick 619,000 and Nova Scotia 756,000. In times of growing centralization, urbanization and computer-based production, industries tend to be drawn to concentrated markets and labor supplies. It is viewed, therefore, no longer feasible for the three provinces to maintain costly, full-size government establishments involving cabinets, legislatures and bureaus.

There are two and one-half times as many civil servants per capita in the Maritimes as in the rest of the country, Dr. Deutsch reported. And the numbers could cut costs and raise

efficiency in a number of cooperative ways, integrating such things as motor vehicle registration and possibly highways.

Mr. Campbell, 37 years old, speaking for Prince Edward Island, said:

"We are now one province in ten in our dealings with Ottawa. We would represent less than one-tenth of the population of the new, bigger province, and we'd lose a good deal of the leverage we enjoy at present."

\$300-Million Federal Funds

That "leverage" has brought the island the promise of \$300-million in Federal development funds over the next 14 years.

Without this program, which islanders must support with \$400-million of their own money, the province would be without hope of lifting its economy to a self-sustaining basis. As it is 65 cents of every dollar the government spends comes from the Federal purse.

Mr. Hatfield told a recent visitor that the Quebec separatist kidnappings had strengthened the determination of New Brunswick to make confederation a success.

Mr. Hatfield traveled unofficially through Quebec during the election campaign there last April. The pro-Federalist Liberals won, but the Separatist Parti Québécois polled 23 per cent of the vote and elected Separatists to the provincial Assembly for the first time.

The New Brunswick Premier came back "deeply impressed" with the power and vitality of the Separatists as a "purely democratic" movement.

"What Quebec was saying," Hatfield observed, "was, 'We'll give Federalism one more chance, and I wondered whether Canadians in other provinces were listening.'"

Mr. Hatfield, among others, must soon show if he was listening by the actions he takes to prepare the Maritimes for the eventualities in Quebec.

Until now, Prime Minister Pierre Elliott Trudeau has not expressed his view on the issue, but since union is arguably a more efficient set-up, he would probably not oppose it.

Mr. Regan told a visitor: "I am not convinced the people of Nova Scotia are prepared to surrender the existence of this state." But he said that even without union, the provinces could cut costs and raise